

# **Arizona Department of Transportation Reauthorization Summit**

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**National Surface Transportation Infrastructure Finance  
Commission**

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**NSTIFC recommendations designed to achieve a discrete set of goals for the national surface transportation system – our system should be *safe, effective, efficient, fair, and sustainable*.**

# **NSTIFC Guiding Principles**

- **Generate sufficient funding**
- **Users and direct beneficiaries should bear the full cost of using the transportation system**
- **Encourage efficient investment**
- **Incorporate equity considerations**
- **Be supportive of the broad public policy objectives of energy independence and environmental protection**

# **Federal Role as Context for Funding Reform**

- **Devolution (minimal role)**
- **Large/Comprehensive Centralized Investment (maximal role)**
- **Targeted Investment (smaller and more focused role than current)**
- **Targeted Investment Role Enhanced with Added Focus on Driving Innovation and Efficiency**

- **Decisions on the allocation of federal dollars to states should be based more on performance**
- **Investments should focus on safety as a high priority**
- **Congress should eliminate the practice of “earmarking” funds**

# **A funding regime that relies heavily on taxes imposed only on petroleum-derived vehicle fuels is a regime whose present and future:**

- Is undermined by federal energy policy and evolving vehicle technology**
- Encourages less discriminate and inefficient use of existing infrastructure**
- Is in conflict with emerging environmental policies; and**
- Is woefully unable at current levels to generate revenues sufficient to meet the federal share**

# **A funding regime that would rely on more direct forms of “user pay” charges:**

- **Could be consistent with energy and environmental goals**
- **Will recognize that system use, not fuel use, is what affects the quality of our transportation system;**
- **Could provide an important source of revenues to supplement – or ultimately replace – the base funding mechanism**



# **A funding regime that would rely on more direct forms of “user pay” charges: (Cont’d.)**

- **Could optimize use of existing infrastructure and result in relatively lower overall system needs**
- **Will free up existing resources that can be used for other areas, such as rural highways or other critical investments for which 100 percent direct user pay funding may not be possible**
- **Could more equitably allocate to those who put the most demands on the system more of the real system costs**

# **Transitioning to New Funding Paradigm: Pricing (Vehicle Miles Traveled Charge System)**

**Congress should initiate the transition to a broad based vehicle miles traveled (VMT) type charge system**

**As a national VMT system is put in place, Congress should reduce and ultimately eliminate current fuel and other taxes for those vehicles as the basis for funding the surface transportation system.**

**Congress should immediately (i.e., in the next reauthorization) invest in a comprehensive research and development agenda that includes investment in research, technology development, and pilot programs of mileage-based user fees.**

# **Federal Policies & Programs Related to Tolling and Other User Fee Funding Initiatives**

**Congress should allow tolling on the  
National Interstate System under certain  
circumstances**

# Questions